

Chicago Mercantile Exchange Holdings Inc. Reports Record Revenues and A 40 Percent Increase in Net Income for the First Quarter of 2003

Results Benefited From Increased Average Daily Trading Volume

CHICAGO, April 22 /PRNewswire-FirstCall/ -- Chicago Mercantile Exchange Holdings Inc. (NYSE: CME) today reported record revenues and a 40 percent increase in net income for the first quarter of 2003, primarily due to higher trading volume. Net revenues climbed 25 percent to a record \$126.0 million for the first quarter of this year, compared with \$101.1 million for the same period of 2002. Net income was \$26.1 million, versus \$18.7 million for the first quarter last year. Earnings per diluted share rose 22 percent to 77 cents from 63 cents per diluted share for the year-earlier period.

Average daily volume was 2.4 million contracts for the first quarter of 2003, a 20 percent increase from the first quarter of last year. In March 2003, average daily volume achieved a monthly record of nearly 2.8 million contracts a day. At 1.1 million average contracts a day, trading on CME's GLOBEX[®] electronic trading platform grew 109 percent in the first quarter of 2003 versus 2002 and represented 44 percent of total volume, compared with 25 percent for the same period a year ago. E-mini[™] equity contract volume led CME's electronic volume growth, averaging nearly 958,000 contracts a day for the first quarter of 2003 -- more than double the 450,000 contracts a day recorded in the first quarter of 2002.

"In recent months, CME products again demonstrated their ability to meet customer needs in a volatile global climate," said Chairman Terry Duffy. "We benefit from a diverse product line that allows market participants to hedge against financial risks and obtain 23-hour-a-day investment and asset allocation opportunities in interest rates, equities, foreign exchange and commodities. Total volume in all four of our major product areas grew in the first quarter of 2003 from the fourth quarter of last year, even though we had three fewer trading days."

"For the first time this past quarter, our GLOBEX electronic trading platform was the largest contributor to transaction fee revenue, at 48 percent," said President and Chief Executive Officer Jim McNulty. "Also this quarter, we continued to attract new customers worldwide through GLOBEX, which contributed to a new monthly record in foreign exchange futures of more than 3.1 million contracts in March. While open outcry and privately negotiated transactions were strong, much of our foreign exchange growth has been coming from GLOBEX, which handled about 36 percent of our total foreign exchange volume in the first quarter, compared with 23 percent in the first quarter of last year."

For the first quarter of 2003, revenue from clearing and transaction fees increased 31 percent to \$102.4 million from \$77.9 million for the same period of 2002. The category represented 81 percent of net revenues in the 2003 quarter. Quotation data fees were \$11.8 million for the 2003 period, versus \$12.5 million for the 2002 quarter, due to a decline in the number of CME data subscribers that occurred because of contraction in the financial services industry. Expenses of approximately \$5.1 million for a brand advertising campaign contributed to operating expenses of \$82.3 million for the quarter. For the first quarter of 2002, operating expenses were \$69.9 million. Income before income taxes was \$43.8 million for the current quarter, an increase of 40 percent from \$31.2 million for the year-earlier period. The company's operating margin, defined as income before income taxes expressed as a percentage of net revenues, was 34.7 percent for the first quarter of 2003, compared with 30.8 percent for the same period a year ago. Operating margin is presented because it provides an indication of profitability that is not influenced by the size of an organization or the effect of income taxes, which may vary by geographical location and corporate structure.

In the first quarter of 2003, CME introduced CME\$INDEX[™] futures and options. This geometric index of seven foreign currencies is weighted to reflect the relative competitiveness of U.S. goods in foreign markets, and is traded both on CME's Chicago-based trading floors and on GLOBEX. Also during the quarter, CME and Frank Russell Company announced that on April 28, the exchange will launch futures contracts based on the Russell 1000[®] Index. The Russell 1000 is composed of stocks of the top 1,000 U.S. corporations based on market capitalization. In combination with CME's Russell 2000[®] and E-mini Russell 2000 futures and options, the new contract will offer exposure to the Russell 3000[®] universe of stocks, representing 98 percent of the investable U.S. equity market.

While CME continues to engage in securities lending activities, there were no balances invested at March 31, 2003, as market conditions and the securities available for lending would not have resulted in a favorable return.

CME's working capital was \$347.6 million at March 31, 2003, compared with \$325.6 million at Dec. 31, 2002. The company paid a dividend of 14 cents per common share, which totaled \$4.6 million in March 2003.

CME will hold a conference call to discuss first quarter results at 8:30 a.m. Eastern time today. A live audio Webcast of the conference call will be available on the Investor Relations section of CME's Web site. Following the conference call, an archived recording will be available at the same site.

Chicago Mercantile Exchange Holdings Inc. is the parent company of Chicago Mercantile Exchange Inc. (www.cme.com), the largest futures exchange in the United States based on notional value, trading volume and open interest. On Dec. 6, 2002, CME Holdings became the first publicly traded U.S. financial exchange. As an international marketplace, CME brings together buyers and sellers on its trading floors and GLOBEX around-the-clock electronic trading platform. CME offers futures contracts and options on futures primarily in four areas: interest rates, stock indexes, foreign exchange and commodities. The exchange moved about \$1.5 billion per day in settlement payments in the first quarter of 2003 and managed \$28.5 billion in collateral deposits at March 31, 2002.

Statements in this news release that are not historical facts are forward- looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or implied in any forward-looking statements. Among the factors that might affect our performance are: increasing competition by foreign and domestic competitors, including new entrants into our markets; our ability to keep pace with rapid technological developments; our ability to continue introducing competitive new products and services on a timely, cost- effective basis, including through our electronic trading capabilities; our ability to maintain the competitiveness of our existing products and services; our ability to efficiently and simultaneously operate both open outcry trading and electronic trade execution facilities; our ability to adjust our fixed costs and expenses if our revenues decline; changes in domestic and foreign regulations; changes in government policy, including interest rate policy; the costs associated with protecting our intellectual property rights and our ability to operate our business without violating the intellectual property rights of others; the ability of our joint venture, OneChicago, to obtain market acceptance of its products and achieve sufficient trading volume to operate profitably; and the continued availability of financial resources in the amounts and on the terms required to support our future business. In addition, our performance could be affected by our ability to realize the benefits or efficiencies we expect from our for-profit initiatives, such as fee increases, volume and member discounts and new access rules to our markets; our ability to recover market data fees that may be reduced or eliminated by the growth of electronic trading; changes in the level of trading activity, price levels and volatility in the derivatives markets and in underlying fixed income, equity, foreign exchange and commodities markets; economic, political and market conditions; our ability to accommodate increases in trading volume without failure or degradation of performance of our trading systems; our ability to manage the risks associated with our acquisition, investment and alliance strategy; industry and customer consolidation; decreases in member trading and clearing activity and seasonality of the futures business. More detailed information about factors that may affect our performance may be found in our filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K, which is available in the Investor Information section of the CME Web site. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

GLOBEX is a registered trademark of Chicago Mercantile Exchange Inc. E-mini is a trademark of CME. Further information about Chicago Mercantile Exchange Holdings Inc. and Chicago Mercantile Exchange Inc. is available on the CME Web site at www.cme.com .

Chicago Mercantile Exchange Holdings Inc. and Subsidiaries
Consolidated Balance Sheets
(dollars in thousands)

	March 31, 2003	Dec. 31, 2002
ASSETS		
Current Assets:		
Cash and cash equivalents	\$356,954	\$339,260
Proceeds from securities lending activities	---	985,500
Accounts receivable	63,708	50,865
Other current assets	11,232	11,515
Cash performance bonds and security deposits	1,814,162	1,827,991
Total Current Assets	2,246,056	3,215,131
Property, net of accumulated depreciation and amortization	107,438	109,563
Other assets	33,191	30,322
TOTAL ASSETS	\$2,386,685	\$3,355,016

LIABILITIES AND SHAREHOLDERS' EQUITY
Current Liabilities:

Accounts payable	\$27,222	\$27,607
Payable under securities lending agreements	---	985,500
Other current liabilities	57,076	48,396
Cash performance bonds and security deposits	1,814,162	1,827,991
Total Current Liabilities	1,898,460	2,889,494
Long-term debt	1,469	2,328
Other liabilities	18,405	17,055
Total Liabilities	1,918,334	2,908,877
Shareholders' Equity	468,351	446,139
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$2,386,685	\$3,355,016

Balance Sheet Items Excluding

Cash Performance Bonds and Security Deposits and Securities Lending*

	March 31, 2003	Dec. 31, 2002
Current assets	\$431,894	\$401,640
Total assets	572,523	541,525
Current liabilities	84,298	76,003
Total liabilities	104,172	95,386

* Securities lending and cash performance bonds and securities deposits are excluded from this presentation, as there are current assets for these balances that have equal and offsetting current liabilities. This presentation results in a more meaningful indication to investors of the assets owned and related obligations of the company. Clearing firms are subject to performance bond requirements pursuant to the rules of the exchange. The clearing firm can elect to satisfy these requirements in cash, which is reflected in the consolidated balance sheets, or by depositing securities, which are not reflected in the consolidated balance sheets. The balance of cash performance bonds and security deposits that are deposited by clearing firms may change daily as a result of changes in the clearing firms' open positions and how clearing firms elect to satisfy their performance bond requirements. Securities lending transactions utilize a portion of the securities that clearing firms have deposited to satisfy their proprietary performance bond requirements.

Chicago Mercantile Exchange Holdings Inc. and Subsidiaries

Consolidated Statements of Income

(dollars in thousands, except share and per share amounts)

	Quarter Ended March 31,	
	2003	2002
REVENUES		
Clearing & transaction fees	\$102,399	\$77,885
Quotation data fees	11,799	12,465
GLOBEX access fees	3,722	3,130
Communication fees	2,416	2,405
Investment income	1,146	1,617
Securities lending interest income	2,857	3,514
Other	4,261	3,053
TOTAL REVENUES	128,600	104,069
Securities lending interest expense	(2,584)	(2,977)
NET REVENUES	126,016	101,092
EXPENSES		
Compensation & benefits	33,244	30,773
Occupancy	6,281	5,781
Professional fees, outside services &		

licenses	7,378	7,261
Communications & computer & software maintenance	12,117	10,308
Depreciation & amortization	13,211	10,814
Marketing, advertising & public relations	5,602	1,563
Other	4,429	3,429
TOTAL EXPENSES	82,262	69,929
Income before income taxes	43,754	31,163
Income tax provision	(17,633)	(12,504)
NET INCOME	\$26,121	\$18,659
EARNINGS PER SHARE:		
Basic	\$0.80	\$ 0.65
Diluted	\$0.77	\$ 0.63

Weighted average number of common shares:

Basic**	32,534,483	28,774,700
Diluted**	33,863,591	29,756,212

** In December 2002, CME Holdings issued approximately 3.7 million shares in its initial public offering.

Average Daily Volume (Round Turns, in Thousands)

	1Q 2002	2Q 2002	3Q 2002	4Q 2002	Full Year 2002	1Q 2003
Interest rates	1,295	1,295	1,290	1,030	1,226	1,121
Equity E-mini	450	598	812	848	680	958
Equity standard-size	136	140	161	138	144	142
Foreign exchange	96	103	93	93	96	127
Commodities	32	32	28	29	30	35
Subtotal	2,009	2,167	2,385	2,138	2,177	2,383
TRAKRS	--	--	31	122	39	18
Total	2,009	2,167	2,415	2,260	2,216	2,401
Open outcry	1,468	1,468	1,472	1,192	1,399	1,299
Electronic						
(including TRAKRS)	508	667	915	1,036	786	1,063
Privately negotiated	33	33	29	32	32	39
Total	2,009	2,167	2,415	2,260	2,216	2,401

Transaction Fees (in Thousands)

	1Q 2002	2Q*** 2002	3Q 2002	4Q 2002	Full Year 2002	1Q 2003
Interest rates	\$35,536	\$35,809	\$38,318	\$33,506	\$143,169	\$33,763
Equity E-mini	20,704	25,945	37,018	37,639	121,306	41,607
Equity						
standard-size	8,762	9,149	11,945	10,691	40,546	10,594
Foreign exchange	11,139	11,606	10,320	11,322	44,387	14,502
Commodities	1,744	1,764	1,650	1,766	6,924	1,920
Subtotal	77,885	84,274	99,250	94,924	356,333	102,386
TRAKRS	--	--	5	58	63	13
Total	\$77,885	\$84,274	\$99,255	\$94,982	\$356,396	\$102,399
Open outcry	\$44,690	\$43,968	\$49,032	\$43,568	\$181,258	\$43,986
Electronic						

(including TRAKRS)	25,408	32,760	43,489	43,322	144,979	48,936
Privately negotiated	7,787	7,546	6,734	8,092	30,160	9,477
Total	\$77,885	\$84,274	\$99,255	\$94,982	\$356,396	\$102,399

Average Rate Per Trade

	1Q 2002	2Q*** 2002	3Q 2002	4Q 2002	Full Year 2002	1Q 2003
Interest rates	\$0.46	\$0.43	\$0.46	\$0.51	\$0.46	\$0.49
Equity E-mini	0.77	0.68	0.71	0.69	0.71	0.71
Equity standard-size	1.07	1.02	1.16	1.21	1.12	1.22
Foreign exchange	1.93	1.77	1.73	1.90	1.83	1.88
Commodities	0.91	0.87	0.92	0.95	0.91	0.91
Average excluding TRAKRS	0.65	0.61	0.65	0.69	0.65	0.70
TRAKRS	--	--	0.003	0.007	0.006	0.012
Overall rate per trade	0.65	0.61	0.64	0.66	0.64	0.70
Open outcry	\$0.51	\$0.47	\$0.52	\$0.57	\$0.51	\$0.56
Electronic						
(including TRAKRS)	0.83	0.77	0.74	0.65	0.73	0.75
Privately negotiated	3.91	3.62	3.65	3.90	3.77	3.96
Overall rate per trade	0.65	0.61	0.64	0.66	0.64	0.70

*** The second quarter 2002 transaction fees and rate per trade figures were impacted by a \$5 million fund established for clearing firms related to a one-time adjustment of the time allowed to submit transaction fee claim adjustment requests.